

**MALAYSIAN SMEs COMPETING IN GLOBAL BUSINESS**  
**: A COMPARATIVE STUDY**

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**: A COMPARATIVE STUDY**

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## **ABSTRAK (BAHASA MELAYU)**

Objektif utama penyelidikan ini adalah untuk mengkaji dan mendapatkan pemahaman tentang cabaran yang dihadapi oleh Perusahaan Kecil dan Sederhana (PKS) di Malaysia apabila mengembangkan perniagaan mereka ke luar negara. Kajian ini juga melihat peranan agensi-agensi kerajaan dalam membantu PKS Malaysia untuk berhadapan dengan cabaran peringkat global. Kajian ini menggunakan kaedah penyelidikan kualitatif. Dua PKS telah dipilih iaitu Pemasaran Ramly Mokny Sdn Bhd (PRMSB) dan Orang Kampung Holdings Sdn Bhd (OKHSB) dan dibuat perbandingan. Hasil kajian mendapati Kedua-dua PKS berhadapan dengan beberapa cabaran dan masih belum menggunakan insentif atau bantuan dari kerajaan sepenuhnya. PKS Malaysia berhadapan dengan beberapa cabaran di luar negara seperti kemelesetan ekonomi, sumber, kurang sokongan dari kerajaan, hubungan dengan syarikat Multinasional (MNC), isu dalam hak cipta, undang-undang antarabangsa, proses membuat keputusan, kajian serta penyelidikan, dan menjenamakan produk di peringkat antarabangsa. Kerajaan juga telah merangka plan pembangunan yang jitu bagi membantu PKS menghadapi cabaran baru dalam persekitaran global yang kompetitif. kerajaan juga menyediakan pelbagai peluang dalam mengalakkan pembangunan keusahawanan seperti insentif cukai, program latihan dan bantuan kewangan. Usaha yang lebih keras perlu dilakukan untuk mewujudkan kesedaran tentang bantuan dan insentif yang ditawarkan oleh kerajaan dikalangan PKS. PKS di Malaysia masih kurang memohon tawaran dan bantuan dari kerajaan dan kurang mengambil perhatian tentangnya.

**Kata Kunci:** Perusahaan Kecil & Sederhana (PKS), cabaran, kerajaan

## **ABSTRACT**

The main objective of this research is to gain an understanding about the challenges faced by Malaysia Small Medium Enterprise (SMEs) when their expanding business abroad. This study is also looking at the role of government agencies in helping Malaysian SMEs to meet the global challenges. This study used qualitative research method as an approach. Two SMEs were selected namely Pemasaran Ramly Mokny Sdn Bhd (PRMSB) and Orang Kampung Holdings Sdn Bhd (OKHSB) and comparison were made on them. The results of this study found that both SMEs faced several challenges and still not fully used incentives provided by the government. Malaysian SMEs meet several challenges abroad such as recession, global sourcing, lack of government support, relationship between SMEs and multinational corporations (MNC), intellectual property issue, legal issues in global business environment, decision process and R&D in SMEs, and also branding the products in the international market. The government is devoting and designing the SME development plan to assist the SMEs to meet the business challenges in the competitive global business environment. Government also has always taking steps to encourage the creation and development of entrepreneurs by providing positive business environment, tax incentives, training programs and various financing scheme. Capacity efforts need to point on raising awareness among SMEs of the range of government services that are available. Still too many SMEs are ignorant of grants and programs and therefore do not apply all the available incentive that offers by government.

**Keywords:** Small and Medium Enterprises (SMEs), Challenges, Government

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## **LIST OF ABBREVIATIONS**

BCIC	= Bumiputra Commercial and Industrial Community
CGC	= Credit guarantee Corporation of Malaysia Berhad
CRDF	= Commercialization of R&D fund
EIBM	= Export Import Bank of Malaysia
FDI	= Foreign direct investment
MATRADE	= Malaysia External Trade Development Corporation
MDGS	= Millennium Development Goals
MIDA	= Malaysia Development Authority
MNC	= Multinational Corporation
MTDC	= Malaysian Technology Development Corporation Sendirian Berhad
NSDC	= National SME Development Council
PRMSB	= Pemasaran Ramly Mokny Sdn Bhd
OKHSB	= Orang Kampung Holdings (M) Sdn Bhd
SIRIM	= Standards and Industrial Research Institute of Malaysia Berhad.
SMEs	= Small Medium Enterprise
SMIDEC	=Malaysia, Small and Medium Industries Development Corporation
TAF	= Technology Acquisition Fund
TAF-W	= Technology Acquisition Fund for Women
TDC	= Technology Development Cluster
TDP	= Technology Development Programme

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter explains the background of the study where the general idea on the scope of study is clarified. Then, the problem statement on this research is stated, followed by the research questions, objectives of the study, significance of this study, limitations on conducting this study as well as the organization of the study.

#### **1.1 Background of Study**

This century witness the SMEs emergence that grows dramatically. SME is recognized as an important component in Western country economy. In Malaysia, SMEs' definition always become a debate, especially to those involved in business and service industry like agriculture, manufacturing and so on.

Presently, there is no common classification of small and medium enterprises (SMEs) in Malaysia. Different agency defines SMEs based on their individual criteria, regularly benchmarking against annual sales turn over, number of full-time employees or shareholders funds. Besides that, present definitions focus mainly on SMEs in the manufacturing sector. The origin and approval of

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